

**EXHIBIT NO. ___(MRM-7)
DOCKET NO. UE-11___/UG-11___
2011 PSE GENERAL RATE CASE
WITNESS: MATTHEW R. MARCELIA**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-11___
Docket No. UG-11___**

**SIXTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
MATTHEW R. MARCELIA
ON BEHALF OF PUGET SOUND ENERGY, INC.**

JUNE 13, 2011

Puget Sound Energy, Inc

Revise Balances to Remove Repairs/Retirements

A	B	J	K	L	M	N	O	P
Account	Account Description	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	AMA (Dec-10)
1	Actual SAP Balances							
3	19000433 NOL Carryforward	-	-	70,817,092	70,817,092	70,817,092	98,908,318	21,825,453
4	23600033 Federal Income Taxes Payable	85,402,640	93,450,728	57,043,859	58,417,377	49,481,110	60,744,623	72,563,734
5	28200002 DFIT - Gas Plant	(293,301,101)	(294,291,101)	(307,378,218)	(308,981,768)	(310,585,318)	(330,789,144)	(296,944,519)
6	282000121 DFIT - Electric Plant	(758,031,935)	(762,230,381)	(814,719,157)	(823,429,880)	(832,140,603)	(848,068,474)	(768,446,596)
7	subtotal	(965,930,396)	(963,070,754)	(994,236,425)	(1,003,177,180)	(1,022,427,720)	(1,019,204,678)	(971,001,929)
8								
9	STEP 1: Extract the NOL C/F from the Tax Payable/Receive							
10	Reconstruct the Tax Payable Balance for 2010							
11	23600033 Federal Income Taxes Payable ORIGINAL	85,402,640	93,450,728	57,043,859	58,417,377	49,481,110	60,744,623	
12	23600033 Federal Income Taxes Payable REVISED	53,071,780	61,119,868	60,744,623	60,744,623	60,744,623	60,744,623	
13	Difference is activity to the NOL in 2010	32,330,860	32,330,860	(3,700,764)	(2,327,246)	(11,263,513)	(0)	
14								
15	19000433 NOL Carryforward ORIGINAL	-	-	70,817,092	70,817,092	70,817,092	98,908,318	
16	Difference from the Taxes Payable	32,330,860	32,330,860	(3,700,764)	(2,327,246)	(11,263,513)	(0)	
17	19000433 NOL Carryforward REVISED	32,330,860	32,330,860	67,116,327	68,489,845	59,553,578	98,908,317	
18								
19	STEP 2: Adjust NOL Carryforward to Remove Repairs/Rei							
20	19000433 NOL Carryforward REVISED	32,330,860	32,330,860	67,116,327	68,489,845	59,553,578	98,908,317	
21								
22	Remove Repairs	(1,736,000)	(1,984,000)	(1,046,335)	(1,161,994)	(1,277,652)	(531,293)	
23	Remove Retirements	1,082,128	1,236,718	1,391,308	1,545,898	1,700,487	784,753	
24	Total Repairs/Retirements Removed	(653,872)	(747,282)	(344,973)	(383,904)	(422,835)	(253,460)	
25	19000433 NOL Carryforward	31,676,988	31,583,578	67,461,300	68,873,749	59,976,413	99,161,777	
26								
27	STEP 3: Adjust Taxes Payable Balance to Remove Repairs/R							
28	23600033 Federal Income Taxes (from above)	53,071,780	61,119,868	60,744,623	60,744,623	60,744,623	60,744,623	
29								
30	Remove Repairs	(2,969,498)	(2,969,498)	(3,514,567)	(3,514,567)	(3,514,567)	(3,514,567)	
31	Remove Retirements	(2,969,498)	(2,969,498)	(3,514,567)	(3,514,567)	(3,514,567)	(3,514,567)	
32	Total Repairs/Retirements Removed	(5,938,996)	(5,938,996)	(7,029,134)	(7,029,134)	(7,029,134)	(7,029,134)	
33	23600033 Federal Income Taxes	50,102,282	58,150,370	57,230,056	57,230,056	57,230,056	57,230,056	
34								
35	STEP 4: Remove Repairs/Retirement Changes from Electric							
36	Remove Repairs - Electric	42,044,890	42,163,890	42,156,186	42,208,219	42,260,251	41,793,952	
37	Remove Retirements - Electric	(514,874)	(588,428)	(661,981)	(735,535)	(809,088)	(520,125)	
38	Total Repairs/Retirements Removed	41,530,016	41,575,462	41,494,204	41,472,684	41,451,162	41,273,827	
39	282000121 DFIT - Electric Plant	(716,501,920)	(720,654,919)	(773,224,953)	(781,957,196)	(790,689,441)	(806,794,647)	
40								
41	STEP 5: Remove Repairs/Retirement Changes from Gas Del							
42	Remove Repairs - Gas	25,314,570	25,443,570	25,058,678	25,122,304	25,185,930	24,905,870	
43	Remove Retirements - Gas	(567,254)	(648,290)	(729,326)	(810,363)	(891,399)	(264,628)	
44	Total Repairs/Retirements Removed	24,747,316	24,795,280	24,329,351	24,311,941	24,294,531	24,641,242	
45	28200002 DFIT - Gas Plant	(268,533,785)	(269,495,821)	(283,048,867)	(284,669,827)	(286,290,787)	(306,147,902)	
46								
53	Revised Balances							
55	19000433 NOL Carryforward	31,676,988	31,583,578	67,461,300	68,873,749	59,976,413	99,161,777	41,742,217
56	19000433.1 NOL Carryforward Repairs/Retirement	653,872	747,282	(344,973)	(383,904)	(422,835)	(253,460)	196,182
57	23600033 Federal Income Taxes	50,102,282	58,150,370	57,230,056	57,230,056	57,230,056	57,230,056	47,312,650
58	23600033.1 Federal Income Taxes Repairs/Retirement	2,969,498	2,969,498	3,514,567	3,514,567	3,514,567	3,514,567	5,138,137
59	28200002 DFIT - Gas Plant	(268,533,785)	(269,495,821)	(283,048,867)	(284,669,827)	(286,290,787)	(306,147,902)	(272,380,221)
60	28200002.1 DFIT - Gas Plant Repairs/Retirement	(24,747,316)	(24,795,280)	(24,329,351)	(24,311,941)	(24,294,531)	(24,641,242)	(24,564,298)
61	282000121 DFIT - Electric Plant	(716,501,920)	(720,654,919)	(773,224,953)	(781,957,196)	(790,689,441)	(806,794,647)	(727,032,274)
62	282000121.1 DFIT - Electric Plant Repairs/Retirement	(41,530,016)	(41,575,462)	(41,494,204)	(41,472,684)	(41,451,162)	(41,273,827)	(41,414,322)
63	Net Difference	(965,930,396)	(963,070,754)	(994,236,425)	(1,003,177,180)	(1,022,427,720)	(1,019,204,678)	(971,001,929)